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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

September 4, 1943

To: All Regional Directors

From: C. F. Kunkel, Acting Chief, Fruit and Vegetable Branch

Subject: Irish Potato Marketing Program for 1943-44

The following instructions are intended to guide in administering the Potato Price Support Program. Some changes may be necessary in carrying out this program and you are expected to use your initiative, but any major departure from these instructions should be cleared with this office.

Prices

The schedule of support prices for late potatoes is unchanged basically from those announced in February. There is a change in the seasonal increase after November. Formerly there were two 15-cent increases, effective December 1 and February 1. Now the increases are 20 cents and 10 cents, effective December 1 and January 1. Only the distribution of the 30-cent rise is changed. Example: Maine premium varieties in December \$2.10 and \$2.20 after January 1, with Idaho \$2.00 effective for December 1 and \$2.10 after January 1 for U. S. No. 1 grade.

For August, prices in two areas were changed, and others were added which had not previously been announced. All changes are included in the attached schedule.

Each region should designate someone to discuss with growers and dealers a net price equivalent to the support price. This will be especially necessary in connection with loans and if dealers should be approved as vendors. If the grower grades and packs as U. S. No. 1 at the time of delivery to the dealer, the effective support price at the time of delivery must have been paid and there can be no deductions for shrinkage.

Purchases

In connection with the purchase of potatoes under the above-mentioned program, field purchasing agents should be instructed to follow the manual

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of Field Operations, Section 32, Purchase Programs, Revised August 1943, as closely as possible. Purchases under Section 32 (K Programs) and GCP programs should be identical wherever possible, with the exception of the program number. Purchases may be from growers, associations of growers, and growers' authorized agents, or from the F.S.C.C. Any other vendors must be approved by this office.

Your attention is directed to that part of the manual regarding reports. It is essential that the Washington office be kept fully informed as to the status of the program on a daily basis. This is essential as potatoes are national in scope and the data should be centralized for the various regions. Purchases for relief distribution shall be made with Section 32 funds, and purchases for storage and processing shall be made with GCP funds. The Potato Products Diversion Program will be handled under Section 32.

The attached specimen purchase announcement should be checked carefully, and any changes desired in this form should be forwarded to this office for consideration.

A method of scheduling purchases in counties should be worked out with the state and county War Boards or the Extension Service and grower committees should be organized in the important commercial counties to assist the FDA purchase agent in carrying out the program.

Distribution

Commodities made available for relief distribution and for use in the school lunch program will be handled in accordance with Washington Office Letter C-2 dated August 24, 1942, and Letter C-3 dated July 23, 1942, except that since the supply of delivery orders has been exhausted a simplified procedure for ordering commodities is now being developed and will be forwarded at an early date.

Shipment of commodities to processing plants and storage will be handled in accordance with the procedure under the heading "Shipment of Commodities." Out of storage movement will be handled by the Transportation and Warehousing Branch upon instructions as to destination furnished them by the Fruit and Vegetable Branch.

Inspection

Inspection will be handled by the regular established Federal-State Inspection Service which provides for inspection of all fruits and vegetables. Inspection arrangements may be made by contacting either the Federal Supervising Inspector in the state or the state official who cooperatively handled this work. Particular care must be taken by inspectors and purchase representatives to interpret "85 percent U. S. No. 1 quality" correctly, and to explain this grade to growers and shippers.

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The Regional Offices should cooperate with the State Supervisors in scheduling purchases in the various areas so that inspectors may be assigned to handle the work most efficiently.

Storage

The storage of potatoes will be handled by the Transportation and Warehousing Branch and a memorandum prepared by them explaining the program will be forwarded within the next few days. The Regional Offices should cooperate in every way possible with that Branch. Since there is a possibility of either a car shortage or lack of locomotive power during the peak harvest season, growers and shippers should be encouraged to make the maximum use of permanent and temporary storage in the areas of production. Even structures that may be suitable for only a month may mean saving the potatoes.

We are requesting a larger allocation of refrigerator cars for transporting potatoes out of the concentrated commercial areas where production is in excess of storage facilities.

Dealers should be encouraged to purchase and store, and to store for the growers account. Individuals in new areas of production should be assisted in obtaining building suitable for storage, and be advised as to proper methods of grading and packing and the operation of the storage.

Previously you have received a sample contract to be used in making arrangements for storage. Since the storage of Irish potatoes will be handled by the Transportation and Warehousing Branch, you should not make any use of this storage contract.

Containers

It is virtually certain that there will be insufficient new bags this year, although the situation may be somewhat easier than last season. Consequently, used containers must be relied upon heavily in order to get the crop safely marketed. FDA purchases may be made in any acceptable type or size of container so long as they are clean and sound and furnish the needed protection. Care should be taken to see that containers in a given lot or carload are of uniform size.

Bag conservation is highly important, and we must take the lead in furthering this objective.

Processing and Diversion

It is the intention of the WFA to conserve all food crops for food if possible. In such commodities as potatoes, the maximum quantity should

be distributed in fresh form which means that first emphasis should be on storage. Potatoes stored by FDA would either be resold in commercial channels if conditions warrant, used for relief distribution, or for processing.

The dehydration facilities should be operated at capacity. Many dehydrators have contracts for a specified quantity of dehydrated potatoes. They should be urged to operate at capacity. The negotiations on processing contracts should be carried out in the Regional Office and the price of the product should be approved by the Processed Marketing Division of the Fruit and Vegetable Branch. The contract will be issued by the Regional Office. Additional instructions will be forwarded at an early date. All dehydration plants operated at capacity could process about 15,000,000 bushels of potatoes. It is expected that the dehydrators will make purchases of the fresh potatoes for dehydration.

As a last resort, possible outlets into alcohol and livestock feed will be explored. It would be desirable to have a possible outlet in the manufacture of alcohol. Even though we cannot make a definite offer to a processor at this time, it would be well to start negotiations, both to determine costs and the approximate time to make changes in the machinery to handle potatoes. However, no definite action should be taken until you receive additional instructions from this office. It may be necessary to divert potatoes to livestock feed. If so, it would be accomplished under a separate program, and would be limited to areas having a heavy livestock population. This program will be handled by Commodity Credit Corporation.

The products diversion program already is approved. Copies will be forwarded to the Regional Offices. At the present time, starch and flour facilities are available only in Maine, Michigan, Minnesota, North Dakota, Idaho, Oregon, and possibly Washington. A separate procedure is being developed covering administration of this program and will be forwarded next week.

Educational and Promotional Campaign

The Marketing Reports Division is working closely with the Fruit and Vegetable Branch in carrying out an educational and promotional campaign to help meet the various problems which may arise in connection with storing and marketing the 1943 potato crop. An extensive campaign has been developed to cope with these problems. All media should be used in encouraging growers and shippers to provide adequate storage facilities to get distributive trade, including retailers, to help move the supplies, and to get consumers to take advantage of the supply situation by buying ahead during the harvest season. Every effort should be made to publicize the availability and high food value of potatoes. An effective campaign should materially increase consumption and thereby reduce the storage deficit and prevent waste.

Loans

In a separate memorandum, the Commodity Credit Corporation Loan Program has been discussed as fully as is possible at this time. We are not yet fully informed as to operating procedure, and what facilities will be used for approval of warehouses, documentation, etc. Similar programs have been conducted through the facilities of County Agricultural Conservation Committees, and these may be employed again. This probably would be the most desirable method, because of the necessity of close and frequent contact with growers, shippers, and warehousemen, and because the local committees are already functioning and are well equipped to do the job. The decision largely is up to the Commodity Credit Corporation, and you will be informed fully as soon as the details are known. It is expected the program will be completed early next week.

Procurement by the Armed Services

In the conference scheduled for September 9 with your representatives, we plan to have a representative from the QMC office to discuss the procurement of potatoes for the armed forces.

General

Because the eventual size of this crop will not be known until some time in November, the magnitude of our task can only be surmised, and therefore, we are obliged to prepare for almost any eventuality. If the crop should turn out to be materially larger than now anticipated, it would be necessary to undertake every possible type of disposal program. As best we can we will keep you informed of crop prospects so that you may know whether the problem is growing or diminishing.

Purchases by FDA should be minimized as much as possible. It is much more desirable for the potatoes to remain in commercial channels. The loan program is expected to reduce the quantity that would ordinarily be offered at harvest time. Growers, country shippers, and terminal distributors should be encouraged to store potatoes at harvest time so that they can be marketed over the season at a rate that commercial channels can absorb them.

/s/ C. F. Kunkel

WAR FOOD ADMINISTRATION
Food Distribution Administration
150 Broadway, New York, N. Y.
(Telephone: 0000)

Purchase Announcement

Program K-3A--WE-1

The Food Distribution Administration announces that it will consider the purchase of potatoes in the principal producing areas in Maine and the Connecticut River Valley, subject to the following terms and conditions:

Grade Requirements: Potatoes must be grown in the designated area, and meet the grade requirements of U. S. No. 1 Grade, or 85 percent U. S. No. 1 quality. Vendors shall furnish FDA, at their own expense, official inspection certificates issued by the Federal-State Inspection Service.

Price and Container: The following prices f.o.b. point of delivery will be paid by FDA for potatoes accepted and delivered to FDA:

Price per 100 pounds, sacked and loaded, f.o.b. carrier									
	Maine (Aroostook County)				Connecticut River Valley Points				
Grade	Oct.	Nov.	Dec.	Jan.	Oct.	Nov.	Dec.	Jan.	
U.S. No. 1 /1	1.90	1.90	2.10	2.20	2.25	2.25	2.45	2.55	
U.S. No. 1,									
other	1.80	1.80	2.00	2.10					
85% U. S. No.									
1 quality /1	1.80	1.80	2.00	2.10	2.15	2.15	2.35	2.45	
85% U. S. No.									
1 quality,									
other	1.70	1.70	1.90	2.00					

/1 In Maine this price applies to Green Mountain, Katahdin, Chippewa, and Sebago types.

Potatoes delivered to the FDA may be packaged in new or used containers. Used containers must be in good and serviceable condition, clean, and free of defects.

Period of Purchase: Purchases will begin on the date of this announcement and continue to and including

Other Terms and Conditions: Purchases will be made from growers, cooperative associations of growers, or their authorized agents. Vendors are cautioned that, in making sales to the Government and in submitting claims for payment for potatoes delivered to the FDA, they must disclose any liens that may be outstanding against the commodity. Failure to disclose lienholders, or misrepresentations of the actual ownership of the commodity, will be prosecuted under provisions of the U. S. Criminal Code.

/s/ John Doe
Field Representative

Instructions to Vendors

Note: Prior to offering potatoes to the FDA, growers are requested to make every possible effort to dispose of them through normal channels of trade. Although the FDA assures growers that it will purchase their potatoes, if they are unable to secure support prices, the FDA cannot, on the other hand, assure growers that it will purchase their potatoes if they refuse to sell to dealers or handlers at prices equal to or higher than the support prices.

TO ASSURE ORDERLY PURCHASE AND DISTRIBUTION OF POTATOES, THE FDA WILL NOT BE RESPONSIBLE IN ANY WAY IF PROSPECTIVE VENDOR PROCEEDS TO LOAD PRIOR TO RECEIPT OF APPROPRIATE INSTRUCTIONS FROM THE OFFICE OF THE PURCHASE REPRESENTATIVE. Vendors must notify purchase representative and the Federal-State Inspector (48) forty-eight hours prior to the time potatoes are tendered for delivery to the FDA.

Growers Committee: A committee of growers will be selected in each county to assist the FDA and the growers in handling the potato purchase program problems.

The name of the county growers committee may be secured at the County Agent's Office or the United States Department of Agriculture War Board.

Growers wishing to sell potatoes to the FDA or desiring information concerning designated loading points; loading dates or other information, should communicate with a member of the county growers committee or the purchase representative of FDA. (Regional Offices may insert names of committee members if available).

Loading: Vendors shall load cars in accordance with good commercial practice at designated point, or deliver to designated storage warehouses within area of purchase. Minimum carloads of potatoes shall be in accordance with ODT regulations. Vendors must notify the purchase representative immediately if for any reason an authorized loading is delayed or not completed.

Payment: Payment to vendors for purchases by FDA will be speeded up considerably if vendors who sell the commodity can be present at the scene of loading in order that they can present invoices at that time. If vendors cannot be present at the scene of loading, it will be necessary to receive invoices by mail, which will of course delay payment.

Detention or Demurrage Charges: Vendors shall be responsible for and shall make payment to local agents of the originating carrier at shipping point for all detention, demurrage, or protective service charges which may have accrued prior to the acceptance of the potatoes by the FDA. The time of acceptance of the potatoes by FDA will be considered to be the hour and date loading is completed by vendor, except that, particularly where car had previously been loaded for commercial movement, such acceptance shall not be prior to tender of delivery by FDA or in any event prior to completion of inspection by the Federal-State Inspection Service. Copies of carrier's receipted bills will be required as evidence of payment of such charges.

Richard Doe
Chief, Purchase Division
Northeast Region, FDA